



Federal Deposit Insurance Corporation  
550 17th Street NW, Washington, D.C. 20429

Financial Institution Letter  
FIL-26-2009  
June 1, 2009

## REGULATION Z (TRUTH IN LENDING) Early Disclosure Requirements

**Summary:** During 2008, the Federal Reserve promulgated revisions to Regulation Z (Truth in Lending) closed-end mortgage early disclosure requirements that were to take effect October 1, 2009. However, these changes were superseded by the enactment of the Mortgage Disclosure Improvement Act of 2008 (MDIA). As a result, the Federal Reserve has revised Regulation Z to incorporate the MDIA amendments. Compliance with the revised early disclosure requirements is mandatory on July 30, 2009.

### Distribution:

FDIC-supervised Banks (Commercial and Savings)

### Suggested Routing:

Chief Executive Officer  
Chief Loan Officer  
Chief Compliance Officer  
General Counsel

### Attachment:

Supplement to FIL-26-2009: Regulation Z (Truth in Lending) Early Disclosures Requirements

### Related Topics:

Truth in Lending Act  
Mortgage Disclosure Improvement Act of 2008  
FIL-134-2008:  
<http://www.fdic.gov/news/news/financial/2008/fil08134.html>  
12 CFR Part 226, final rule:  
<http://edocket.access.gpo.gov/2009/pdf/E9-11567.pdf>

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### Note:

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### Highlights:

The revisions to the Truth in Lending Act (TILA) early disclosure requirements, incorporating the MDIA amendments:

- expand the requirements to mortgage loans secured by *any* dwelling of a consumer. The requirements no longer are limited to a consumer's "principal" dwelling. The early disclosure requirements also now cover refinancings and home equity loans.
- require delivery or mailing of the early disclosures within three business days of receiving a consumer's mortgage loan application. A lender also must wait until at least seven business days after delivery of the disclosures before consummating the mortgage loan.
- require corrected disclosures to be delivered at least three business days before consummation if the annual percentage rate provided in the early disclosures changes beyond the tolerances provided in Section 226.22.
- prohibit a lender from charging a consumer any fee, except to obtain a credit report, until after the early disclosures have been provided.
- permit a consumer to expedite the closing of a mortgage loan subject to the early disclosure provisions to address a personal financial emergency, such as foreclosure.
- inform a consumer that he or she is not required to complete the transaction because the consumer has received the early disclosures or applied for a loan.

(See the attached supplement for a comparison of the 2008 and 2009 revisions and FIL-134-2008 for an overview of the 2008 revisions.)